

June 2009

# DEFENSE TRAVEL SYSTEM

## Implementation Challenges Remain



## Report Documentation Page

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## Why GAO Did This Study

In 1995, the Department of Defense (DOD) began an effort to implement a standard departmentwide travel system—the Defense Travel System (DTS). GAO has made numerous recommendations aimed at improving DOD management, oversight, and implementation of DTS. GAO was asked to (1) assess the actions DOD has taken to implement GAO's prior recommendations; (2) determine the actions DOD has taken to standardize and streamline its travel rules and processes; (3) determine if DOD has identified its legacy travel systems, their operating costs, and which of these systems will be eliminated; and (4) report on DOD's costs to process travel vouchers manually and electronically. To address these objectives, GAO (1) obtained and analyzed relevant travel policies and procedures, and documents related to the operation of DTS and (2) interviewed appropriate DOD and contractor personnel.

## What GAO Recommends

Because GAO has existing recommendations regarding the actions needed to address the weaknesses discussed in this report, GAO reiterates 8 of its 14 prior recommendations. DOD commented that it has taken sufficient action to address 12 of the 14 recommendations, including 6 of the 8 GAO is reiterating, and described actions under way or planned to address the other 2. GAO disagrees. GAO received technical comments, which were incorporated as appropriate.

[View GAO-09-577 or key components.](#)  
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June 2009

# DEFENSE TRAVEL SYSTEM

## Implementation Challenges Remain

### What GAO Found

While the department has made progress in improving the efficiency of its travel operations by implementing DTS and revising its processes and policies, unresolved operational issues continue to exist. DOD has taken sufficient action to satisfactorily address 6 of the 14 recommendations GAO made in 2006 pertaining to unused airline tickets, restricted airfares, testing of system interfaces, and streamlining of certain travel processes. More effort is needed to address the remaining 8 related to requirements management and system testing, utilization, premium-class travel, and developing an automated approach to reduce the need for hard-copy receipts to substantiate travel expenses. For example, in the area of requirements management and testing, GAO's analysis found that the display of flight information by DTS is complicated and confusing. This problem continues because DOD has yet to establish DTS flight display requirements that minimize the number of screens DOD travelers must view in selecting a flight.

The 1995 DOD Travel Reengineering Report made 22 recommendations to streamline DOD's travel rules and processes. GAO found that DOD had satisfactorily addressed all 22 recommendations. For example, DOD has mandated the use of commercial travel offices (CTO), established a single entity within DOD—the Defense Travel Management Office—to contract with CTOs for travel services, and has begun modifying CTO contracts as they become subject to renewal to standardize the level of services provided.

According to DOD officials, except for locations where DTS has not yet been deployed, DTS is used by the military services and all 44 defense agencies and joint commands to process temporary duty (TDY) travel vouchers. The department uses two legacy systems to process (1) TDY travel vouchers at locations where DTS is not yet deployed and (2) civilian and military permanent duty travel vouchers since DTS currently lacks the functionality to process these vouchers. DOD provided us with fiscal year 2008 expenditure data for one system and budget data for the other system. The expenditure/budget data provided by DOD were comparable to the amounts budgeted for these systems for fiscal year 2008. According to DOD officials, these legacy systems will not be eliminated because they provide the capability to process military and civilian permanent duty travel vouchers. Although DTS is expected to provide the capability to process military permanent duty travel vouchers in fiscal year 2010, DOD has not yet decided if civilian permanent duty travel voucher processing will be added to DTS.

DOD cost data indicate that it is about 15 times more expensive to process a travel voucher manually—\$36.52 manually versus \$2.47 electronically. DOD officials acknowledged that the department continues to lack the data needed to ascertain the complete universe of travel vouchers that should be processed through DTS.

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## Abbreviations

AO	authorizing official
BTA	Business Transformation Agency
CEFMS	Corps of Engineers Financial Management System
CTO	commercial travel office
DFAS	Defense Finance and Accounting Service
DOD	Department of Defense
DTMO	Defense Travel Management Office
DTS	Defense Travel System
GSA	General Services Administration
IRS	Internal Revenue Service
PMO-DTS	Program Management Office—Defense Travel System
P&R	Personnel and Readiness
RTS	Reserve Travel System
TDY	temporary duty
WINIATS	Windows Integrated Automated Travel System

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**United States Government Accountability Office  
Washington, DC 20548**

June 30, 2009

**Congressional Requesters**

In 1995, the Department of Defense (DOD) embarked upon the daunting challenge of implementing a standard, departmentwide travel system in response to a report by the DOD Task Force to Reengineer Travel.<sup>1</sup> The report pinpointed three principal causes for the inefficiency in DOD's travel system: (1) travel policies and programs were focused on compliance with rigid rules rather than mission performance, (2) travel practices did not keep pace with travel management improvements implemented by industry, and (3) the various existing travel systems were not integrated. To address these concerns, DOD established the Program Management Office–Defense Travel System (PMO-DTS) to acquire travel services that would be used departmentwide. The department launched this program with the goal of replacing existing travel systems with a single system to more effectively support travel processes and procedures across its component organizations. The Defense Travel System (DTS) is envisioned as being the department's standard end-to-end travel system and in March 2008 mandated its use at all locations where deployed.<sup>2</sup> The department estimates that DTS will be deployed at all 9,800 intended locations during fiscal year 2009.

We have previously reported and testified on the problems encountered by DOD in implementing DTS and have made numerous recommendations aimed at improving DOD management, oversight, and implementation of DTS and related travel policies to make DTS the standard departmentwide

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<sup>1</sup>Department of Defense, *Report of the Department of Defense Task Force to Reengineer Travel* (Arlington, Va.: January 1995).

<sup>2</sup>DOD expects DTS to perform all functions related to temporary duty (TDY) travel or ensure that other systems are provided with adequate information to provide this functionality. For example, obligating funds associated with travel is a necessary function, and DTS is expected to provide (1) verification that adequate funds are available before allowing for travel authorization either through information contained in its system or by obtaining the necessary information from another system, (2) obligation of funds through issuance of approved travel orders, and (3) DOD's financial management systems with the necessary information so that those systems can reflect the obligation. According to DOD officials, the department is in the process of adding military permanent duty travel functionality to DTS, which it expects to complete in fiscal year 2010. In addition, the department has not yet finalized a decision on whether to add civilian permanent duty travel functionality to DTS.

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travel system.<sup>3</sup> Following the April 2008 congressional hearing on DTS, you requested that we (1) assess the actions DOD has taken to implement our previous recommendations, (2) determine the actions DOD has taken to standardize and streamline its travel rules and processes as recommended by the 1995 Travel Reengineering Report, (3) determine if DOD has identified its legacy systems, their operating costs, and which legacy travel systems will be eliminated as well as the time frame for elimination, and (4) report on DOD's costs to process travel vouchers manually and electronically.

To address the first and second objectives, we obtained and analyzed relevant documentation, such as travel policies and procedures, and documents related to DTS requirements management and system testing, to assess the actions taken by the department to address our prior recommendations and the recommendations in the 1995 Travel Reengineering Report. To address the third objective, we reviewed and compared information provided by the Defense Travel Management Office (DTMO) and the military services on the legacy systems used to manage their travel operations, associated costs, and the rationale for continued use of these systems. To address the fourth objective, we reviewed the methodology used by the Defense Finance and Accounting Service (DFAS) to calculate the rates DFAS charged to other DOD activities for processing a travel voucher manually versus electronically. During the course of the audit, we interviewed officials from DTMO, the PMO-DTS, the DTS prime contractor, the military services, the Business Transformation Agency (BTA), and DFAS to obtain explanations for discrepancies and issues identified during our work.

We conducted this performance audit from July 2008 through June 2009 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions

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<sup>3</sup>GAO, *DOD Business Transformation: Preliminary Observations on the Defense Travel System*, [GAO-05-998T](#) (Washington, D.C.: Sept. 29, 2005); *DOD Business Transformation: Defense Travel System Continues to Face Implementation Challenges*, [GAO-06-18](#) (Washington, D.C.: Jan. 18, 2006); *Defense Travel System: Reported Savings Questionable and Implementation Challenges Remain*, [GAO-06-980](#) (Washington, D.C.: Sept. 26, 2006); and *Defense Travel System: Estimated Savings Are Questionable and Improvements Are Needed to Ensure Functionality and Increase Utilization*, [GAO-07-208T](#) (Washington, D.C.: Nov. 16, 2006).

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based on our audit objectives. Details on our scope and methodology are included in appendix I. We requested comments on a draft of this report from the Secretary of Defense or his designee. We received written comments from the Deputy Under Secretary (Military Personnel Policy), which are reprinted in appendix II.

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## Background

In September 1993, the National Performance Review recommended an overhaul of DOD's temporary duty (TDY) travel system. In response, the department created the DOD Task Force to Reengineer Travel to examine the travel process. It found that existing processes were expensive to administer and neither customer nor mission oriented, resulting in a travel process that was costly, inefficient, fragmented, and did not support DOD's needs. In December 1995, the Under Secretary of Defense for Acquisition and Technology and the Under Secretary of Defense (Comptroller)/Chief Financial Officer issued a memorandum, "Reengineering Travel Initiative," which established the PMO-DTS and tasked it with the responsibility to acquire travel services to be used departmentwide. Currently, the BTA is responsible for the management oversight of the PMO-DTS. DTMO is the departmentwide entity responsible for commercial travel policy, management, and oversight within the department and reports to the Under Secretary of Defense (Personnel and Readiness). DTMO's responsibilities include establishing strategic direction, setting travel policy, managing the commercial travel program, and defining and providing the functional requirements to the PMO-DTS.

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## DOD Has Implemented 6 of 14 GAO Recommendations

Our January 2006 and September 2006 reports contained 14 recommendations for improving DOD's management oversight and implementation of DTS and related travel policies.<sup>4</sup> On the basis of our analysis of the documentation provided and discussions with DTMO and PMO-DTS representatives, the department has taken sufficient action to implement 6 of the 14 recommendations. While the department has initiated actions to address the remaining 8, additional efforts are needed. The 6 closed recommendations pertain to unused airline tickets, use of restricted airfare, proper testing of system interfaces, and streamlining of certain travel processes, such as approving travel vouchers.

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<sup>4</sup>GAO-06-18 and GAO-06-980.

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The 8 open recommendations relate to requirements management and system testing, DTS utilization, premium-class travel,<sup>5</sup> and developing an approach that will permit the use of automated methods to reduce the need for hard-copy receipts to substantiate travel expenses. Appendix III offers additional details on DOD's efforts to implement the 14 recommendations.

Highlighted below are two examples—testing of system interfaces and use of restricted airfare—where DOD has taken sufficient action to close our recommendations.

**Testing of system interfaces.** In our January 2006 report,<sup>6</sup> we noted that while the department had developed and implemented interfaces with 36 systems, going forward, the testing of system interfaces would continue to be a challenge. We recommended that the PMO-DTS test new or modified system interfaces to ensure that the intended functionality is operating properly. To address our recommendation, the PMO-DTS engaged the DFAS Enterprise Level Test Group as an independent verification and validation group in 2006 to provide an objective perspective of the reliability of the system interface testing being performed by the contractor. We reviewed the testing documentation, such as the test plan, test scripts, and test cases,<sup>7</sup> related to the DTS system interface with the Navy Enterprise Resource Planning system, and found that the documentation was sufficient for ensuring that interfaces between systems operated as intended. DOD's use of an independent verification and validation group meets the intent of our recommendation.

**Use of restricted airfares.** In our January 2006 report, we recommended that the PMO-DTS determine the feasibility of using restricted airfares

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<sup>5</sup>Federal travel regulations define premium-class travel as any class of accommodation above coach-class; that is, first or business-class. Federal and DOD travel regulations state that travelers must use coach-class accommodations for official business air travel—both domestic and international—except when a traveler is specifically authorized to use premium-class. These regulations restrict premium-class travel to limited circumstances.

<sup>6</sup>GAO-06-18.

<sup>7</sup>A test plan contains a general description of what testing will involve, including tolerable limits. A test script contains the detailed instructions for the set-up, execution, and evaluation of results for a given test case. The test case provides the test inputs, execution conditions, and expected results developed for a particular test plan objective, such as verifying compliance with a specific requirement.

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where cost effective.<sup>8</sup> We reported that the system requirement stipulated that DTS is to display only unrestricted airfares. As noted in that report, other airfares generally referred to as restricted airfares may, in some cases, be less expensive than a given General Services Administration (GSA) city-pair fare<sup>9</sup> and other unrestricted airfares. However, as the name implies, restricted airfares contain certain limitations.<sup>10</sup> We recommended that the PMO-DTS determine the feasibility of using restricted airfares where cost effective. To address our recommendation, DTMO contracted with the Logistics Management Institute to conduct a study on the use of restricted airfares. The study, completed in September 2008, determined that the use of restricted airfares was feasible and presented DOD management with two options for implementing this functionality into DTS. The department's actions are fully responsive to our recommendation for the determination of feasibility. Highlighted below are examples where further actions are needed to fully address our recommendations.

**Requirements management processes.** Our January 2006 and September 2006 reports noted that DTS did not display flight information in a manner that facilitated a traveler's compliance with DOD travel regulations.<sup>11</sup> For example, we found that not all GSA city-pair flights were included in the display of flights provided to the traveler. As a result, travelers may not consistently select flights that are most cost advantageous to the government. We recommended that DOD consider simplifying the display of flight information in DTS. The intent of this recommendation was to improve usability by reducing the amount of user effort required to identify flights that matched the traveler's schedule in order to meet mission needs. Our current analysis found that DTS's flight

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<sup>8</sup>GAO-06-18.

<sup>9</sup>GSA awards contracts to airlines to provide flight services between pairs of cities. This is commonly referred to as the GSA city-pair program. Under this program (1) no advance ticket purchases are required, (2) no minimum or maximum length of stay is required, (3) tickets are fully refundable and no charges are assessed for cancellations or changes, (4) seating is not capacity controlled (i.e., as long as there is a coach-class seat on the plane, the traveler may purchase it), (5) no blackout dates apply, (6) fare savings average 70 percent over regular walk-up fares, and (7) fares are priced on one-way routes permitting agencies to plan for multiple destinations.

<sup>10</sup>Restricted air fares generally require advance ticket purchases or minimum or maximum length of stay. In addition, charges may be assessed for cancellations or changes, availability of seating at this fare may be limited, and blackout dates may apply.

<sup>11</sup>GAO-06-18 and GAO-06-980.

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displays have not been simplified. More specifically, the DOD traveler may have to review at least four of the five separate flight display screens to identify the flight that is best suited to his or her needs. DTS's flight displays could be simplified by grouping the flights into two categories—GSA and commercial. Displaying all of the GSA flights on one display screen would facilitate selection of the lowest fare.<sup>12</sup> If a GSA city-pair fare was not available, the traveler could view a single display screen of commercial flights to identify and select a commercial flight with the lowest available airfare that meets mission needs.

**DTS testing.** In January 2006 and September 2006, we reported that the system testing performed did not provide reasonable assurance that DTS was displaying the proper flights and airfares.<sup>13</sup> We also reported that DOD did not adequately document the testing performed to ensure DTS was functioning properly. We recommended that the PMO-DTS effectively implement the disciplined processes necessary to provide reasonable assurance that (1) requirements are properly documented and (2) requirements are adequately tested. Throughout our review, we have found that while DOD has stated that it has established processes, consistent with industry practices, to ensure that (1) DTS requirements are valid, clearly stated, and properly documented and tested; and (2) testing is properly documented, those processes have not been effectively implemented. For example, our January 2009 analysis of selected DTS requirements related to flight displays and airfares found that the testing process did not fully address our previously reported problems.<sup>14</sup> The problems we found generally related to missing documentation to support tests performed or the test performed focused on limited aspects of the requirement and did not provide sufficient evidence that the requirement was adequately tested.

Our analysis found that DOD did not adequately test the DTS requirement that travelers provide a justification for any deviation from DOD travel policies. For example, DOD policy requires the traveler to select the lowest cost compact rental car. However, if the traveler later changes this

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<sup>12</sup>DTS is required to display the lowest cost GSA airfare first. This requirement could be modified to include displaying the lowest cost commercial airfare, if available, that complies with DOD travel policy.

<sup>13</sup> GAO-06-18 and GAO-06-980.

<sup>14</sup>We selected requirements that related to flight displays and airfares because of the previously reported problems in these areas.

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selection to the lowest cost car within another model category (mid-size), the justification box will not appear for the approving official to review. The underlying control weakness is that the appearance of the justification box is not predicated on whether the last selected choice meets the department's travel policy requirements. PMO-DTS officials were not aware of this problem until we brought it to their attention.

We also found that DOD did not adequately test the DTS requirement to only display flights that comply with the requirements of the Fly America Act, which stipulates that travel must be on U.S. carriers when available. This testing failure places the traveler who purchases a ticket or the individual authorizing, certifying, or disbursing DOD ticket payments directly through a centrally billed account, at unnecessary risk of being personally liable for the cost of the ticket. Specifically, our analysis of November 2008 flight display data identified the following instances in which DTS displayed flights that did not meet the requirements of the Fly America Act:

- 9 out of 25 flights DTS displayed for travel from Washington Dulles Airport to Harare, Zimbabwe;
- 4 out of 10 flights from Washington Dulles Airport to Islamabad, Pakistan; and
- 3 out of 15 flights from Washington Dulles Airport to Sana'a, Yemen.

Our analysis of the same flight origins and destinations in March 2009 found that the problem continues. On April 9, 2009, DTMO's Commercial Travel Division Chief concurred with our assessment that DTS's display of flights could result in the traveler selecting a flight that was not in compliance with the requirements of the Fly America Act. As a result, the traveler is at unnecessary risk of being held personally liable for the cost of the airfare.

In addition, one requirement indicated that DTS should not allow a traveler to select flight departure or arrival dates that were outside the established itinerary trip dates. Our review of DOD's testing of this requirement showed that only three of the six boundary conditions needed to fully test this requirement had been tested. Neither DOD nor its contractor could provide documentation supporting testing for the day after the traveler's departure date, the day before the arrival date, and the day after the arrival date. Based on our analysis, DOD does not have assurance that this requirement was adequately tested because of a lack of documentation.

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**DTS utilization.** Our September 2006 report pointed out that the department did not have the quantitative metrics to measure the extent to which employees used DTS at locations where the system was deployed.<sup>15</sup> We recommended that the department establish a process by which the military services develop and use quantitative data from DTS and their individual legacy systems to clearly identify the total universe of DTS-eligible transactions on a monthly basis.<sup>16</sup> The department has yet to establish a process to identify the universe of DTS-eligible transactions, which is needed to effectively measure DTS usage. Until the department has reasonable quantitative metrics to measure and reliably report on the extent to which DTS is being used, the department's ability to ensure compliance with its mandate to use DTS and to provide consistent and accurate DTS utilization data to the Congress is diminished.<sup>17</sup>

**Premium-class travel.** We reported in January 2006 that the commercial travel offices (CTO) were not adhering to the department's policy restricting the use of premium-class travel and not issuing premium-class tickets without proper authorization.<sup>18</sup> Because a premium-class ticket can cost the government thousands of dollars more than a coach-class ticket, unauthorized premium-class travel can result in millions of dollars in unnecessary travel costs annually. We recommended that the department take action to ensure that CTOs adhere to the department's policy on the use of premium-class travel. To address our recommendation, in October 2007, DTMO started using a Web-based management tool that generates monthly reports to assess compliance with DOD's premium-class travel policy. DTMO also receives and reviews monthly reports from CTOs on premium-class travel. The CTO reports include a list of the premium-class travel tickets issued and the information necessary to identify the traveler and the trip taken.

While DTMO has taken steps to identify premium-class travel, its actions do not address our concerns that such travel be properly authorized. We

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<sup>15</sup> GAO-06-980.

<sup>16</sup> The actual DTS utilization rate should be calculated by comparing actual vouchers being processed in DTS to the total universe of vouchers that should be processed in DTS.

<sup>17</sup> Senate Report 109-254 (S. Rep. No. 109-254, at 426 (May 9, 2006)), which accompanied the National Defense Authorization Act for Fiscal Year 2007, directed DOD to provide semi-annual reports to the Congress for two years starting in 2007 pertaining to the deployment and usage of DTS.

<sup>18</sup> GAO-06-18.

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requested and reviewed one CTO's December 2008 monthly premium-class report and determined that 12 premium-class tickets were issued for the month. Based upon our review of documentation provided by DTMO to determine whether these tickets complied with DOD's travel policy on premium-class travel, we found

- two tickets were properly justified and authorized;
- two tickets were for DOD contractors and therefore should not have been on the report;
- four tickets were issued without the proper justification and authorization; the CTO has initiated actions to reimburse DOD for the cost of the difference between any premium-class airfare and the lowest applicable airfare; and
- four tickets were issued without justification and authorization, on the basis of our review of DOD travel regulations. However, based on our interpretation of federal travel regulations, they do not meet the definition of premium-class as defined by federal travel regulations because they were the lowest available fare and, therefore, would not require justification and authorization.

**Automating hard copy receipts.** In January 2006, we reported that DOD might be able to change its travel policy, and reduce the number of receipts required, and the associated administrative burden without adversely affecting its ability to ensure a claim is proper.<sup>19</sup> The Internal Revenue Service (IRS) has established criteria for determining whether travel reimbursements are taxable to an employee and the documentation required to substantiate travel expenses. As a result, any changes to DOD's travel policies regarding travel reimbursement—including evaluating methods that meet IRS's receipt requirements—should be done in consultation with IRS. We recommended that the department work with IRS in developing an approach that would permit the use of automated methods to reduce the need for hard-copy receipts while satisfying the department's and IRS's requirements to substantiate travel expenses. To its credit, the department has had one meeting with the IRS to obtain an understanding of IRS revenue rulings regarding travel receipts and to discuss the possible use of travel card statements in lieu of travel receipts. However, the department has not developed or presented to the IRS a conceptual approach for how travel card data and other information could be used to address IRS concerns regarding the use of electronic data to substantiate travel expenses. Since GSA is the lead agency for

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<sup>19</sup> GAO-06-18.

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promulgating travel policy for the federal government, DOD will need to work with both GSA and IRS to implement the needed changes.

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## DOD Has Implemented the 22 Recommendations Made in the 1995 Travel Reengineering Report

The 1995 DOD Travel Reengineering Report included 22 recommendations for reengineering DOD's TDY travel rules and processes and automating these processes by implementing an integrated DOD travel system. On the basis of our analysis of documentation provided and discussions with DTMO and PMO-DTS representatives, the department has taken sufficient action to address all of these recommendations.

Appendix IV offers additional details on DOD's efforts to implement the 22 recommendations.

Highlighted below are two examples—mandated use of CTOs in providing travel services and the availability of 24-hour CTO support to DOD travelers—where DOD has taken sufficient action to close the recommendations.

**Mandated use of CTOs.** The 1995 report noted that DOD's cumbersome, complex, and fragmented travel operations were not customer or mission oriented and the report recommended that DOD mandate the use of CTOs for DOD travel services.<sup>20</sup> To address this recommendation, the department updated its travel regulations to mandate the use of CTOs for making DOD travel arrangements and identified DTMO as the department's single travel procurement and contract manager. In addition, DTMO is modifying CTO contract language, as CTO contracts become subject to renegotiation and renewal, to standardize the level of services CTOs provide DOD travelers.

**Twenty-four hour CTO support.** The 1995 report noted that if travelers need to change accommodations during nonbusiness hours, they are often required to make the changes themselves.<sup>21</sup> To provide DOD travelers with travel support consistent with services provided in the private sector, and to ensure compliance with DOD policy, the report recommended that all changes in accommodations be made through CTO 24-hour 800 service phone numbers. To address this recommendation, the department requires

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<sup>20</sup>1995 DOD Travel Reengineering Report.

<sup>21</sup>1995 DOD Travel Reengineering Report.

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all CTO contracts to include a provision to support DOD travelers via toll-free numbers or collect call.

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## DOD Entities Use DTS and Legacy Systems to Process Travel Vouchers

According to DOD officials, except for locations where DTS has not yet been deployed, such as the Army Corps of Engineers and some locations within the military services, DTS is used by the military services and all 44 defense agencies and joint commands to process TDY travel vouchers. (Appendix V offers a list of the 44 defense agencies and joint commands.) The department uses two legacy systems to process (1) TDY travel vouchers at locations where DTS is not yet deployed and (2) civilian and military permanent duty travel vouchers since DTS currently lacks the functionality to process these vouchers (see table 1). According to DOD officials, the department should complete its efforts to add military permanent duty travel functionality to DTS in fiscal year 2010. A decision on whether civilian permanent duty travel will be added to DTS has not yet been made. In response to our request for operating costs associated with these systems, DOD officials provided us with fiscal year 2008 expenditure data for one system and budget data for the other system. The expenditure/budget data provided by DOD are comparable with the fiscal year 2008 amounts identified in the department's fiscal year 2008 Information Technology Budget request for these two systems.<sup>22</sup>

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**Table 1: Legacy Systems Used by the Military Services, Defense Agencies, and Joint Commands to Process Travel Vouchers**

<b>Legacy system</b>	<b>Component user</b>	<b>Fiscal year 2008 operating costs</b>	
		<b>Expenditure</b>	<b>Budget</b>
Windows Integrated Automated Travel System (WINIATS) <sup>a</sup>	All except the Air Force <sup>a</sup>	\$3,300,000	
Reserve Travel System (RTS) <sup>b</sup>	Air Force		\$510,000

Source: DOD.

<sup>a</sup>WINIATS is used by all DOD components, except for the Air Force, to process military and civilian permanent duty travel vouchers. At locations where DTS is not currently deployed WINIATS is also used to process TDY vouchers.

<sup>b</sup>The Air Force uses RTS to process military and civilian permanent duty travel vouchers.

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<sup>22</sup>DOD, *Information Technology Budget Estimates, Fiscal Year 2008 President's Budget Request* (February 2007).

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According to DOD officials, these legacy systems will not be eliminated because they provide the capability to process civilian permanent duty travel vouchers. DOD officials stated that this capability is not currently within DTS and it is uncertain whether it will be added.

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## Electronic Processing of Travel Vouchers Is Significantly Less Expensive Than Manual Processing

For fiscal year 2009, DFAS estimates it will charge DOD components an average of \$2.47 for travel vouchers processed electronically and \$36.52 for travel vouchers processed manually. It is about 15 times less expensive to process a travel voucher electronically versus manually. In our review of DOD's calculation of costs for travel voucher processing, we found an error in the DFAS rate determination that resulted in an over allocation of DFAS general and administrative cost to DFAS's travel voucher processing activities.<sup>23</sup> DFAS personnel, unaware of the error until our review, confirmed that the computation of the fiscal year 2009 rates was inaccurate and indicated that the miscalculation occurred as a result of a misinterpretation of DFAS guidance.<sup>24</sup> The DFAS official further stated that changes would be made to the fiscal year 2010 rate computation to accurately allocate the general and administrative costs among DFAS's various accounting and finance operations. The cost figures for fiscal year 2010 reflect the corrected rates.

DOD officials acknowledged that the department continues to lack the data needed to ascertain the complete universe of travel vouchers that should be processed through DTS. This lack of data adversely affects the reliability of DTS utilization reports and the department's ability to identify locations where DTS is deployed but not fully utilized. Given that the Army is DFAS's largest customer of manually processed travel vouchers, DFAS officials told us that the Army would benefit most from increased electronic voucher processing. The department reported that in fiscal year 2008, the Army had processed more than 1.5 million vouchers, about 1.1 million through DTS. However, DOD cannot determine how many of the remaining 400,000 vouchers were from locations where DTS was already available but the offices continued processing the vouchers

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<sup>23</sup>The error resulted in a shortfall in the allocation of general and administrative costs to other business areas such as vendor payment or trial balance preparation. The error, however, does not affect the total amount billed by DFAS to the various DOD components for DFAS services provided.

<sup>24</sup>DFAS, *FY 2010-2015 Program and Budget Submission/Review Schedule and Budget Guidance* (Mar. 31, 2008).

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manually. As a result, the department cannot ascertain the total universe of travel vouchers that are eligible to be processed through DTS and the savings that could be realized through electronic processing of those vouchers. Continued use of manual processing of TDY travel vouchers through legacy systems is inefficient because the department is paying for a service that can be provided at much lower cost. DFAS provides only limited manual travel voucher processing for the Navy and the Air Force.

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## Conclusions

DOD has made progress in addressing our prior recommendations regarding the implementation of DTS as well as those in the 1995 DOD Travel Reengineering Report that were intended to streamline DOD's travel operations. Additional management attention is needed to ensure that DTS delivers its intended functionality and meets customers' needs. Accordingly, we reaffirm our prior recommendations related to the improvements needed to effectively implement DTS so that it can become the department's standard travel system. Electronic processing of travel vouchers through DTS is far less expensive than manual processing through legacy systems. Thus, it is important for the department to continue its efforts to make DTS its standardized system for processing travel vouchers.

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## Agency Comments and Our Evaluation

We received written comments on a draft of this report from the Deputy Under Secretary (Military Personnel Policy), which are reprinted in appendix II. In commenting on the report, the Deputy Under Secretary stated that the DTS program overall is a success story and that system usage and customer satisfaction have increased since 2006. The department acknowledges that there is still room for improvement and stated that DOD is committed to continued progress. The department commented that reiteration of the 14 previous recommendations creates an inaccurate impression because it believes it has taken sufficient action to address all but 2 of our recommendations. However, we clearly state in the report that the department satisfactorily addressed 6 of our 14 recommendations; therefore, we were reiterating only the remaining 8 recommendations that require additional action to address.

For the two recommendations the department acknowledged that it had not yet addressed, DOD identified specific actions it has under way or planned to take to address our concerns regarding DTS requirements management and testing. For example, the department noted that PMO-DTS is currently reviewing software test processes with the prime contractor to ensure that proper documentation and test artifacts are

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maintained. The department also noted that it intended to correct the System Problem Reports to address any deficiencies that preclude DOD from meeting the requirements of the Fly America Act.

Regarding the remaining six open recommendations relating to premium-class travel, DTS utilization, simplification of flight displays, and developing an approach that will permit the use of automated methods to reduce the need for hard-copy receipts to substantiate travel expenses, DOD stated that it believed it had taken sufficient action to address these recommendations. Specifically, the department is of the opinion that the recommendation related to premium-class travel should be considered closed. DOD noted that it has enacted several measures to strengthen the control over premium-class travel, such as including a requirement in CTO contracts that premium-class tickets not be issued unless there is a properly signed or otherwise properly authenticated travel authorization. Additionally, DOD noted the use of a Web-based management tool by the military services and defense agencies to document and report premium-class approvals. We do not agree that the department's actions fully addressed our concerns. As noted in the report, despite the implementation of these measures, we identified four premium-class tickets, at one location for 1 month, that were improperly issued by the CTO. The DTMO was not aware of this improper issuance until we brought it to DTMO's attention. The fact remains that CTOs continue to issue premium-class tickets that have not been properly justified and authorized, thereby raising concerns about the effectiveness of the controls the department has put in place.

Three of the eight open recommendations relate to the department's actions taken to develop and report metrics on its utilization of DTS. In its comments, DOD noted that the military services and defense agencies report actual non-DTS travel voucher counts and that DTMO's calculations of DTS utilization take into account travel vouchers that are and are not processed by DTS. DOD acknowledged that these computations are not completely accurate and stated that the modifications to legacy systems that would be needed to achieve greater accuracy would require a significant investment of time and money. The department stated that given the 70 percent DTS usage rate it has calculated for DTS through the second quarter of fiscal year 2009, this additional cost is not justified. We disagree with the department's assessment that these recommendations should be closed. Our recommendations in this area were intended to improve the department's metrics for measuring and reporting DTS usage and to facilitate the identification of locations that were not fully utilizing DTS. The department could not ascertain the complete universe of travel

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vouchers that should be processed through DTS. Without a process to identify TDY vouchers by location that are processed outside DTS, DOD is hindered in its ability to (1) identify the locations responsible for those travel vouchers and identify and address issues that undermine DTS usage, (2) reliably measure and report DTS usage, and (3) ensure that DTS is the departmentwide standard travel system.

With respect to our prior recommendation on requirements management as it relates to the simplification of the display of flights, the department believes that sufficient action has been taken to address this recommendation. DOD noted in its comments that the requirements were specifically written to display airfare in the five-tab format to provide flight information in accordance with the order of precedence contained in the current policy. The department also noted that travelers do not have access to each of the five tabs, but rather DTS presents the traveler with only the available flights based on policy. We do not consider this recommendation closed. We found, on the basis of our testing of this requirement, the traveler does have access to at least four of the five tabs and must review each to identify the flight that is best suited to his or her needs. In addition, the use of multiple flight display screens can result in the display of flights occurring within the same travel schedule time period that are significantly more expensive than the available GSA flights. Simplifying the flight displays to two tabs or categories—GSA and commercial—would facilitate the traveler's identification and selection of flights with the lowest cost airfare by eliminating the display of higher cost flights within the same travel schedule time period. The department recognized the merit of our recommendation by stating in its comments that it intended to review the feasibility of grouping the flights into two categories or tabs as part of its overall effort to improve the usability of DTS.

DOD did not assert that sufficient action had been taken in its entirety to address our recommendation that the department develop an approach that uses automated methods to reduce the need for hard copy receipts. Rather, DOD noted that, because this recommendation has governmentwide impact, GSA—the agency responsible for promulgating travel policy for the entire federal government—is the more appropriate agency to lead this effort. We recognize that GSA is the lead agency for promulgating travel policy for the federal government. However, the intent of our recommendation was that given the size of DOD's travel operations and the department's goal to improve the efficiency and effectiveness of its business operations, we believe DOD should work with GSA and the IRS to identify and implement acceptable changes. To date, DOD has not

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developed or presented to the IRS or GSA a conceptual approach that identifies the information that would be needed and the extent to which this information is available to address this recommendation while adhering to the IRS's requirements. DOD needs to conduct research to understand what data is available, either from industry providers or its systems (including the travel card data), that could be used to meet IRS's requirements. This recommendation was not intended to assess simply the extent to which credit card data could be used to substantiate travel expenses, but also for DOD to understand the data and the internal control requirements that should be included in the functionality of relevant systems, such as DTS, to ensure compliance with IRS requirements regarding documentation of actual travel expenses.

DOD also provided technical comments on a draft of this report that we have incorporated throughout the report, as appropriate.

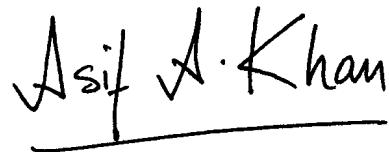
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We are sending copies of this report to the Secretary of Defense; the Under Secretary of Defense for Personnel and Readiness; the Director, Defense Business Transformation Agency; the Director, the Defense Travel Management Office; the Director, Program Management Office-Defense Travel System; the Assistant Secretary of the Army (Financial Management and Comptroller); the Assistant Secretary of the Navy (Financial Management and Comptroller); the Acting Assistant Secretary of the Air Force for Financial Management; and the Director, Defense Finance and Accounting Service. The report also is available at no charge on the GAO Web site at <http://www.gao.gov>.

Please contact Asif A. Khan at (202) 512-9095 or [khana@gao.gov](mailto:khana@gao.gov), or Nabajyoti Barkakati at (202) 512-4499 or [barkakatin@gao.gov](mailto:barkakatin@gao.gov), if you or your staffs have questions on matters discussed in this report. Contact

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points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Key contributors to this report are listed in appendix VI.



Asif A. Khan  
Director, Financial Management and Assurance



Nabajyoti Barkakati  
Acting Chief Technologist  
Applied Research and Methods  
Center for Technology and Engineering

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*List of Congressional Requesters*

The Honorable Vic Snyder  
Chairman  
The Honorable Robert Wittman  
Ranking Member  
Subcommittee on Oversight and Investigations  
Committee on Armed Services  
House of Representatives

The Honorable Solomon Ortiz  
Chairman  
The Honorable Randy Forbes  
Ranking Member  
Subcommittee on Readiness  
Committee on Armed Services  
House of Representatives

The Honorable W. Todd Akin  
House of Representatives

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# Appendix I: Scope and Methodology

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To determine the status of the Department of Defense's (DOD) efforts to address our 14 recommendations<sup>1</sup> and those made in the 1995 Task Force Report<sup>2</sup> to streamline the department's travel rules and processes, we obtained and analyzed relevant documentation, such as travel policies and procedures, documents related to the Defense Travel System (DTS) requirements management and system testing, and monthly premium-class travel reports to assess the actions taken, under way, or planned by the department to address these recommendations. To determine the specific actions taken related to our previous recommendations on requirements management and system testing, we nonstatistically selected and analyzed 209 requirements by reviewing relevant documentation to determine whether the requirements had been adequately tested. The requirements selected for review related primarily to the display of flight information for travelers—since that was an area of concern in our prior work.<sup>3</sup>

Regarding premium-class travel, we requested and reviewed one Commercial Travel Office's December 2008 monthly premium-class report and determined that 12 premium-class tickets were issued for the month. We requested and reviewed documentation from the Defense Travel Management Office (DTMO) regarding the justification of these premium-class tickets to determine whether these tickets complied with DOD's travel policy regarding premium-class travel. We met with representatives of DTMO, the Program Management Office-Defense Travel System, and the prime contractor and travel management representatives of the military services to obtain clarification and explanations of actions taken, under way, or planned by the department in response to our recommendations.

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<sup>1</sup>GAO, *DOD Business Transformation: Defense Travel System Continues to Face Implementation Challenges*, GAO-06-18 (Washington, D.C.: Jan. 18, 2006), and *Defense Travel System: Reported Savings Questionable and Implementation Challenges Remain*, GAO-06-980 (Washington, D.C.: Sept. 26, 2006).

<sup>2</sup>Department of Defense, *Report of the Department of Defense Task Force to Reengineer Travel* (Arlington, Va.: January 1995).

<sup>3</sup>We tested 209 requirements and found that the testing performed by DOD was adequate for 146 requirements, but not for 39 requirements. We were unable to determine whether the testing was adequate for the remaining 24 requirements because (1) they were either no longer active requirements and therefore did not require testing or (2) we were unable to test them due to technology constraints or they required the use of an operational rather than test environment.

To determine if DOD has identified its legacy systems, their operating costs, and which legacy travel systems will be eliminated as well as the time frame for elimination, we reviewed and compared information provided by DTMO and the military services' regarding the legacy systems used to manage their travel operations, associated costs, and the rationale for continued use of these systems. We met with representatives of DTMO and the military services to (1) discuss discrepancies or omissions in the information provided identifying the legacy systems and their operating costs, and (2) obtain the rationale for why these systems would not be eliminated.

To analyze DOD's costs to process travel vouchers manually and electronically, we reviewed the methodology used by the Defense Finance and Accounting Service (DFAS) to calculate the rates it charged other DOD activities and assessed the reasonableness of DOD's cost estimates. During the course of the audit, we interviewed DFAS officials to obtain an understanding of the methodology and an explanation for the error we identified in the rate calculation.

We conducted this performance audit from July 2008 through June 2009, in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We conducted our work at the offices of the Defense Travel Management Office, the Business Transformation Agency, the Program Management Office - Defense Travel System, the Defense Travel System prime contractor, the military services, and the Defense Finance and Accounting Service-Indianapolis. We requested comments on a draft of this report from the Secretary of Defense or his designee. We received written comments from the Deputy Under Secretary (Military Personnel Policy), which are reprinted in appendix II.

# Appendix II: Comments from the Department of Defense



PERSONNEL AND  
READINESS

OFFICE OF THE UNDER SECRETARY OF DEFENSE  
4000 DEFENSE PENTAGON  
WASHINGTON, D.C. 20301-4000

12 JUN 09

Mr. Asif A. Khan  
Director, Financial Management and Assurance  
U. S. Government Accountability Office  
441 G Street, N.W.  
Washington, DC 20548

Dear Mr. Khan:

This letter is the Department of Defense's response to the Government Accountability Office draft report GAO-09-577, "DEFENSE TRAVEL SYSTEM: Implementation Challenges Remain," dated May 2009 (GAO Review Code 197074).

The two audits conducted by GAO in 2006 provided valuable independent oversight and assessments of DTS. The Department took seriously the 14 recommendations from those reports and has worked diligently to address each. Of those recommendations, the Department believes that all but two have been adequately addressed. However, we agree there is still room for improvement and are committed to continued progress. While this draft report does acknowledge that some progress has been made, the overall tenor is disappointing and implies by omission that the progress made is far less than is the case in reality.

The Department also believes the reiteration of the 14 previous GAO recommendations creates an inaccurate impression to the reader because, in fact, all but 2 of the original 14 have been addressed. Itemized comments for each of the previous 14 recommendations are enclosed.

Since 2006, both usage and satisfaction with DTS have continued to increase. Reservation module usage, vouchers processed, and percent of TDY travel managed are metrics that indicate increased adoption of the system. For 2006, DTS processed about 257,000 temporary duty, or TDY, vouchers during the first quarter of the fiscal year. During the first quarter of Fiscal Year 2009, DTS processed almost 867,000 vouchers, a 237.4 percent increase. Each voucher processed through DTS saves on the back-end transaction costs. Costs to arrange travel are also being reduced on the front-end, as the new contracts with our commercial travel partners embed lower fees when travel is booked using the DTS reservation module.

Recent surveys provide another clear indicator that user satisfaction with the system also continues to improve. Three years ago, there was no customer satisfaction program associated with DTS, no meaningful opportunity for users to provide feedback, and no reliable means of effectively gauging customer opinion. Today, the Department is well on its way to integrating customer feedback into DTS improvements across the entire scope of travel. For example, the enhanced reservation module in DTS, commonly referred to as "Reservation Refresh," is regarded as a significant improvement for travelers.

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**Appendix II: Comments from the Department  
of Defense**

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As the draft report states, there are internal processes and testing methods that can be improved, and we will continue to review, adjust and enhance those areas. However, the program overall is a success story. As of the second quarter of this fiscal year, DTS processed 70 percent of all temporary duty travel vouchers in the Department, a dramatic reflection of the exponential growth in usage over the past few years. DTS is reducing transaction costs, and improving system usability for the traveler continues to be a primary focus.

The Department appreciates the opportunity to comment. For questions concerning this report, please contact Rose Weber, Defense Travel Management Office, at (703) 696-7023 or [rosemarie.weber@dtmo.pentagon.mil](mailto:rosemarie.weber@dtmo.pentagon.mil).

Sincerely,



William J. Carr  
Deputy Under Secretary  
(Military Personnel Policy)

Enclosure:  
As stated

**GAO DRAFT REPORT – DATED MAY 2009  
GAO-09-577 (GAO CODE 197074)**

**JUN 12 2009**

**“DEFENSE TRAVEL SYSTEM: IMPLEMENTATION CHALLENGES REMAIN”**

**DEPARTMENT OF DEFENSE COMMENTS**

Now Table 2.

**Comments on Appendix III, Table 1:**

**Recommendation 1:** Secretary of Defense should direct the Project Management Office-Defense Travel System (PMO-DTS) to effectively implement the disciplined processes necessary to provide reasonable assurance that (1) requirements are properly documented and (2) requirements are adequately tested.

**DoD Response:** Concur. While functional requirements and testing are developed and documented consistent with best practices, challenges with testing and change implementation still exist. The Defense Travel Management Office (DTMO) and the Business Transformation Agency (BTA) are currently taking and/or planning to take the following actions to address GAO’s findings regarding DTS requirements testing:

- The PMO-DTS will work with the prime contractor to review and improve current processes for requirements and testing to ensure these processes are consistent with commercial best practices.
  - The DTS-PMO is currently reviewing software test processes with the prime contractor to ensure proper documentation and test artifacts are maintained.
  - The DTS-PMO will contractually notify the prime contractor on the concerns raised in the GAO report concerning 1) boundary condition testing; and 2) testing the requirement for justification boxes to appear in DTS when a traveler selects a travel option that deviates from DoD travel policies. The DTS-PMO will work with the prime contractor to determine ways to improve the testing process for these requirements.
- The DTS-PMO will correct the System Problem Reports to address any deficiencies in DTS meeting the requirements of the Fly America Act.

GAO’s comments regarding the testing of flight displays as they relate to the Fly America Act, included the statement: “On April 9, 2009, DTMO’s Travel Management Division Chief concurred with our assessment that DTS’s display of flights could result in the traveler selecting a flight that was not in compliance with the requirements of the Fly America Act; therefore, the traveler could be held personally liable for the cost of the airfare.” This comment is partially correct, and we recommend it be revised. The DTMO did agree that it appears there are instances where DTS wrongly displays foreign carriers; the DTMO did not state that the traveler could be held personally liable for the cost of the airfare as a result. There are simply too many variables in every trip scenario, such as the traveler’s experience with DTS, the specific trip itinerary, the travel mission requirements, etc. to make that inference. Additionally, there are allowable exceptions to the Fly America Act. For example, use of a foreign carrier is allowed when it is determined that it is a matter of necessity, such as for medical reasons, when there is no U.S. carrier service on a particular leg of an itinerary, when service on the foreign carrier would save a substantial amount of time, or when the cost of transportation is being paid by a third party, such as an international organization.

**Recommendation 2:** Secretary of Defense should direct the PMO-DTS to properly test new or modified system interfaces so that the intended functionality is properly operating prior to a software update being provided to DTS users.

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**DoD Response:** Concur. Appropriate action has been taken, and this recommendation is closed.

**Recommendation 3:** Secretary of Defense should direct the PMO-DTS to require that all Commercial Travel Offices (CTO) adhere to the Department's policy on the use of premium-class travel, even in those instances where it is listed as the only available airfare.

**DoD Response:** We concur with the objective embodied in this recommendation; however, the Department has addressed this recommendation in that CTOs are required to, and do, adhere to the Department's premium class travel policies. In addition, the Department has enacted several measures to strengthen the control of premium class travel policy. To better ensure CTO compliance to Department policy, requirements are now included in DoD CTO contracts that direct: "The Contractor shall not issue a premium class (first class or business class) ticket at Government expense without receiving a signed or otherwise properly authenticated travel authorization specifically authorizing that class of service. Travelers are authorized to upgrade to business class at their personal expense or use frequent travel benefits. The Contractor shall reimburse the Government for the cost of the difference between premium class travel (first class of business class) and the lowest appropriate fare if business or first class arrangements are used without appropriate approval in accordance with DoD/Government travel policy."

CTOs are not responsible for the approval of premium class travel. That authority rests with the travel approving official, who is also responsible for ensuring approvals adhere to current policy. The Department has also raised the approval level for all premium class travel (first and business), issued guidance that, for any ticket issued without government approval, DoD requires CTOs to reimburse the Government for costs that exceed a coach class ticket, and developed a Web-based management tool to assist the Services/Agencies in documenting and reporting premium class approvals.

Due to the difficulty in matching specific trip data and the complexity of Premium Class airline coding, which changes frequently and varies from carrier to carrier, a completely automated approval solution is more challenging than originally anticipated. The Department is partnering with GSA to develop a standard reporting process.

The Department also notes that our fiscal year 2008 Premium Class Travel Report to GSA included 274 first class trips representing less than 0.01 percent of the total 3,691,242 trips taken by DoD travelers. Due to the intricacies and variations of airline coding, it was later discovered that ~ 81 percent of the 274 trip costs were equal to or less than what the Government would have normally paid for other than first class fares, decreasing the percentage of valid premium class expenditures to be approximately 0.001 percent of the total trips taken.

In accordance with the CTO contract requirement as stated above, reimbursement action has been initiated for the four tickets GAO found that had been issued by the CTO without proper justification.

**Recommendation 4:** Secretary of Defense should direct the Secretaries of the Army, Navy, and Air Force, as well as the heads of all DoD agencies, to reemphasize that travelers are to justify exceptions from Department policy and the importance of the authorizing officials not approving any travel authorization in which exceptions are not properly justified.

**DoD Response:** Concur. Appropriate action has been taken, and this recommendation is closed.

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**Recommendation 5:** Secretary of Defense should direct the Secretaries of the Army, Navy, and Air Force, as well as the heads of all DoD agencies, to routinely monitor, such as on a quarterly basis, information on the number and cost of processing travel vouchers outside of DTS and initiate action to eliminate funding for legacy systems, where applicable.

**DoD Response:** We concur with the objective embodied in this recommendation; however, the Department has addressed this recommendation in that the Services and Agencies do report actual non-DTS travel voucher counts to the DTMO. Prior to fiscal year 2007, DTS usage was measured against a DTS Voucher Model of predictive voucher volume developed and maintained by the PMO-DTS. The DTMO has assumed responsibility for DTS metrics reporting and does not report DTS utilization based on the DTS Voucher Model. The DTMO methodology assesses DTS usage against the “total universe” of TDY travel based on Service and Agency reports of travel executed in legacy travel computation systems. The “total universe” includes both TDY travel that can and cannot currently be processed in DTS. Reporting DTS utilization in this way provides a more complete assessment of the effectiveness and efficiency of DTS across the Defense Travel Enterprise. The legacy travel computation systems do not provide the fidelity of data to accurately classify TDY travel by all 73 travel types. Accurately collecting and reporting non-DTS travel by travel type would require the modification of legacy travel systems at significant cost in both time and money. The benefit of implementing the remaining part of this recommendation would not justify the cost, given the extent of DTS usage...a 70 percent usage rate through the second quarter of fiscal year 2009. The Department anticipates that DTS will accommodate all but seven travel types by the end of 2009.

**Recommendation 6:** Secretary of Defense should direct the PMO-DTS to develop and implement the means to automate the approval of changes to authorized travel expenses where possible.

**DoD Response:** Concur. Appropriate action has been taken, and this recommendation is closed.

**Recommendation 7:** Secretary of Defense should direct the PMO-DTS to consider the viability of using commercial databases to identify unused airline tickets for which reimbursement should be obtained and help improve the assurance that the actual travel taken was consistent with the information shown on the travel voucher.

**DoD Response:** Concur. Appropriate action has been taken, and this recommendation is closed.

**Recommendation 8:** Secretary of Defense should direct the PMO-DTS to consider simplifying the display of airfares in DTS.

**DoD Response:** We concur with the objective embodied in this recommendation; however, the Department has addressed this. In May 2006, the airfare display was simplified by implementing a change to retrieve only the lowest contract city pair fares available per flight. In February 2007, other enhancements were made to increase usability, including tabulations to separate categories of fares (capacity-controlled fares, regular contract fares, government fares, and other available fares), and the capability to search city pairs at an alternate airport within an 80-mile radius when city pair fares are unavailable at the primary airport.

Requirements were specifically written to display airfare in the five tab format to provide flight information in accordance with the order of precedence contained in current policy. Travelers do not have to access each of the five tabs to “identify the flight that best suits their needs.” The system automatically presents only the available flights based on policy. For example, the system does not display GSA city-pair flights if they are not available and, if a GSA city-pair flight is

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available, the traveler would only need to access the non-city pair flights if they were requesting a policy exception.

The Department continuously strives to improve system usability. The feasibility of a two tab display will be reviewed as part of the Department's overall DTS usability effort.

**Recommendation 9:** Secretary of Defense should direct the PMO-DTS to determine the feasibility of utilizing restricted airfares, where cost effective.

**DoD Response:** Concur. Appropriate action has been taken, and this recommendation is closed.

**Recommendation 10:** Secretary of Defense should direct the PMO-DTS to work with the Internal Revenue Service (IRS) to develop an approach that will permit the use of automated methods to reduce the need for hard copy receipts to satisfy requirements to substantiate travel expenses.

**DoD Response:** We concur with the objective embodied in this recommendation; however, because it has government-wide impact, it is the Department's opinion that, because GSA promulgates travel policy for the entire Federal Government, it is the more appropriate agency to lead this change effort.

The core recommendation of "automating hard copy receipts" cannot be accomplished solely by working with the IRS to "permit the use of automated methods." This assumes that only a policy change is required and ignores the larger issue of access to supporting data in sufficient detail to meet the requirements to make payment against a receipt. Assuming the Government Travel Charge Card data is the source of expense information, a hotel (or other) expense transaction must contain all itemized expenditures as opposed to bundling items like movies or valet services. This will require level III data from every industry provider world-wide.

Additionally, GAO's comments on this recommendation contain factual errors and omissions. GAO has not commented on the fact that the Department has made significant progress toward the 2006 recommendation. The Department does in fact use automated methods to reduce hard copy receipt requirements. DTS policy requires users to scan their receipts for automated transmission and storage, which is all done electronically. The Defense Travel System's capability to scan receipts is a best business practice employed by the Department and eliminates the necessity to maintain hard copy receipts in a "desk" file.

Lastly, the statement that "DTMO officials told us they had not yet contacted the IRS..." is not correct. The DTMO did meet and address this issue with the IRS on April 21, 2008. The discussion with the IRS centered on IRS revenue rulings and whether the travel charge card statement could actually be used in lieu of receipts. The IRS expressed concern about the travel card statement lacking the required data to substantiate a receipt and the ability to differentiate between business and "personal" expenses that may have been charged to the card, such as in-room movies. This information was discussed with GAO during this audit review at a September 25, 2008, meeting and was also provided via e-mail during the audit review.

Now Table 3.

**Comments on Appendix III, Table 2:**

**Recommendation 1:** The Secretary of Defense should direct the Under Secretary of Defense (Personnel and Readiness) (P&R) and the Director, Business Transformation Agency (BTA) to jointly evaluate the cost effectiveness of the Navy continuing with the CTO management fee structure versus adopting the revised CTO fee structure, once the new contracts have been awarded.

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**DoD Response:** Concur. Appropriate action has been taken, and this recommendation is closed.

**Recommendation 2:** The Secretary of Defense should direct the Under Secretary of Defense (P&R) and the Director, BTA to jointly develop a process by which the military services develop and use quantitative data from DTS and their individual legacy systems to clearly identify the total universe of DTS-eligible transactions on a monthly basis. At a minimum, these data should be used to update the DTS Voucher Analysis Model to report DTS actual utilization rates.

**DoD Response:** We concur with the objective embodied in this recommendation; however, the Department believes this recommendation is no longer relevant and should be closed. As written, it is not consistent with shutting down legacy systems, nor does it recognize investments in new functionality scheduled for implementation in Fiscal Years 2009 and 2010. The Department is focused on maximizing DTS usage and increasing its functionality. By taking an enterprise view, the Department believes the current quantitative metrics reported in the Defense Travel Enterprise Quarterly Metrics Report provide a reliable and cost conscious approach to measure DTS utilization.

GAO's current suggestion to "establish a process" will require modifications to legacy systems. As a result of their congressionally-mandated study, the Institute for Defense Analyses recommended that the Department not institute a system to collect and consolidate voucher data from the legacy voucher processing systems in the Department for the following reasons:

- It would be costly and difficult to collect complete voucher data from the legacy systems; those costs could exceed the benefits.
- The Department would be better served by spending its money, energies, and political capital on increasing DTS usage.

DTS usage continues to grow and, as a result, the Department and the taxpayers benefit. For example, the Army and Defense Agencies reduced voucher processing costs more than 40 percent from fiscal year 2007 to fiscal year 2008. As of the second quarter of this fiscal year, DTS processed 70 percent of all temporary duty travel vouchers in the Department. GAO's recommendation to invest in a process to better characterize the shrinking number of non-DTS TDY vouchers is not cost effective. The Department sees no benefit in investing resources in the same legacy systems that we are working to eliminate.

**Recommendation 3:** The Secretary of Defense should direct the Under Secretary of Defense (P&R) and the Director, BTA to jointly require the PMO-DTS to provide a periodic report on the utilization of DTS to the Under Secretary of Defense (P&R) and the Director, BTA, once accurate data are available. The report should continue until the Department has reasonable assurance that DTS is operating properly at all intended locations. The report should identify at a minimum (1) the number of defense locations at which DTS has been deployed, (2) the extent of DTS utilization at these sites, (3) steps taken or to be taken by the department to improve DTS utilization, and (4) any continuing problems in the implementation and utilization of DTS.

**DoD Response:** We concur with the objective embodied in this recommendation; however, as written, the Department believes this recommendation should be closed. As directed by the FY 2007 NDAA, the Department has provided DTS utilization data to Congress in semi-annual reports, beginning in May 2007. These reports addressed the number of installations at which DTS has been deployed, the extent of DTS usage at these installations, and actions taken or planned to increase such usage. The final report was submitted to the Congress in December 2008. Further, investing funds in the capability to capture the required data to fully understand non-DTS vouchers is not cost effective.

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For clarification, GAO's statement that DTS has not been deployed at Army Reserve and National Guard sites is incorrect. Army Reserve and National Guard sites do use DTS. Additionally, note c to the legacy systems table that appears in the draft report misstates the purpose and functionality of the Corps of Engineers Financial Management System (CEFMS). CEFMS does not process travel vouchers, it records accounting transactions related to travel. The Corps of Engineers uses the Windows Integrated Automated Travel System to compute travel vouchers.

**Recommendation 4:** The Secretary of Defense should direct the Under Secretary of Defense (P&R) and the Director, BTA to jointly resolve inconsistencies in DTS requirements, such as the 25 flight display, by properly defining the (1) functionality needed and (2) business rules necessary to properly implement the needed functionality.

**DoD Response:** Concur. While requirements are valid and consistent with current regulations, challenges with testing and change implementation still exist. The DTMO and BTA are currently taking and/or planning to take the following actions to address GAO's findings regarding DTS requirements testing:

- The PMO-DTS will work with the prime contractor to review and improve current processes for requirements and testing to ensure these processes are consistent with commercial best practices.
  - The DTS-PMO is currently reviewing software test processes with the prime contractor to ensure proper documentation and test artifacts are maintained.
  - The DTS-PMO will contractually notify the prime contractor on the concerns raised in the GAO report concerning 1) boundary condition testing; and 2) testing the requirement for justification boxes to appear in DTS when a traveler selects a travel option that deviates from DoD travel policies. The DTS-PMO will work with the prime contractor to determine ways to improve the testing process for these requirements.

GAO's comments regarding the requirements management process included the statement, "For example, we found that DoD travelers had to access 5 flight display screens to identify the flight that best suited his/her needs. As a result, the traveler may not have selected the flight that was the most advantageous to the government." This comment is only partially correct, and we recommend it be revised. The selection of the most "cost advantageous" flight is not mandated by Department policy. While a GSA city-pair flight may not always be the most "cost advantageous," it often provides the "best value" to the Department based on availability, routing, and cancellation cost avoidance.

**Comments on Appendix IV:**

Concur. Appropriate action has been taken, and these recommendations are closed.

# Appendix III: Status of DOD's Actions on Previous GAO Recommendations on the Defense Travel System

Table 2: GAO's January 2006 Report Recommendations and Status of DOD Actions as of June 2009

GAO recommendation <sup>a</sup>	DOD action taken to address the recommendation	Status of GAO recommendation
1. Secretary of Defense should direct the Project Management Office-Defense Travel System (PMO-DTS) to effectively implement the disciplined processes necessary to provide reasonable assurance that (1) requirements are properly documented and (2) requirements are adequately tested.	DOD stated that it has established processes, consistent with best practices, to ensure that (1) DTS requirements are valid, clearly stated, and properly documented and tested; and (2) testing is properly documented; however, we found that those processes have not been effectively implemented. For example, our January 2009 analysis of selected DTS requirements related to flight display and airfares found that the DTS testing process still did not fully address our previously reported problems. The problems we found generally related to missing documentation or the test performed focused on limited aspects of the requirement and did not provide sufficient evidence that the requirement was adequately tested using best practices. Because of these continuing problems, we found that DTS was not in compliance with the requirements of the Fly America Act and as a result, the traveler is at unnecessary risk of being held personally liable for the cost of the airfare.	Open
2. Secretary of Defense should direct the PMO-DTS to properly test new or modified system interfaces so that the intended functionality is properly operating prior to a software update being provided to DTS users.	To address our recommendation, the PMO-DTS engaged the Defense Finance and Accounting Service (DFAS) Enterprise Level Test Group as an independent verification and validation group in 2006 to provide an objective perspective of the reliability of the contractor-performed system interface testing. We reviewed the testing documentation, such as the test plan, test scripts, and test cases, related to the DTS system interface for the Navy Enterprise Resource Planning system. We found that the documentation was consistent with best practices and adequate for ensuring that interfaces between systems operated as intended.	Closed
3. Secretary of Defense should direct the PMO-DTS to require that all Commercial Travel Offices (CTO) adhere to the department's policy on the use of premium-class travel, even in those instances where it is listed as the only available airfare.	In October 2007, the Defense Travel Management Office (DTMO) started utilizing a Web-based management tool that generates monthly reports to assess compliance with DOD's premium-class travel policy. DTMO also receives and reviews monthly reports from CTOs on premium-class travel. The CTO reports include the total number of premium-class tickets issued each month for each military service and defense agency, the identification of the traveler, authorization numbers, airline and ticket numbers, fare basis, date of travel, and cost of the original ticket. While DTMO has taken steps to identify premium-class travel, its actions do not address our concerns that such travel be properly authorized. Our analysis of one CTO's December 2008 monthly premium-class report identified premium-class travel that was not authorized. Specifically, we identified four premium-class tickets that were issued without the proper justification and authorization. The CTO has initiated actions to reimburse DOD for the cost of the difference between the premium-class airfare and the lowest applicable airfare (total of about \$4,218).	Open

**Appendix III: Status of DOD's Actions on  
Previous GAO Recommendations on the  
Defense Travel System**

<b>GAO recommendation<sup>a</sup></b>	<b>DOD action taken to address the recommendation</b>	<b>Status of GAO recommendation</b>
4. Secretary of Defense should direct the Secretaries of the Army, Navy, and Air Force, as well as the heads of all DOD agencies, to reemphasize that travelers are to justify exceptions from department policy and the importance of the authorizing officials not approving any travel authorization in which exceptions are not properly justified.	The department has updated Appendix O—Temporary Duty (TDY) Travel Allowances of the Joint Travel Regulations that provide specific guidance on the various types of travel expenses that are authorized and those expenses that are not authorized. Appendix O identifies the types of exceptions from department policy for which travelers must provide justification and obtain approval from the authorizing official (AO). For example, Appendix O guidance states that the traveler must use coach-class for all official travel, unless premium-class accommodations are justified and approved prior to travel by the appropriate AO. There are separate sections of the appendix that are applicable to the traveler and the AO. Additionally, DTMO has put on the DTS Web site a document, entitled "Authorizing Official Checklist and Helpful Tips," which can be used when reviewing the justification before authorizing an expense or approving a voucher.	Closed
5. Secretary of Defense should direct the Secretaries of the Army, Navy, and Air Force, as well as the heads of all DOD agencies, to routinely monitor, such as on a quarterly basis, information on the number and cost of processing travel vouchers outside of DTS and initiate action to eliminate funding for legacy systems, where applicable.	DOD officials acknowledged that the department does not know the total number of manual travel vouchers that are processed by DFAS that should be processed through DTS. As a result, the department cannot ascertain the total universe of travel vouchers that are eligible to be processed through DTS or the savings that could be realized through electronic travel voucher processing.	Open
6. Secretary of Defense should direct the PMO-DTS to develop and implement the means to automate the approval of changes to authorized travel expenses where possible.	Functionality has been added to DTS to facilitate the automatic approval of changes to authorized estimated expenses where such changes are consistent with sound internal controls and DOD policy.	Closed
7. Secretary of Defense should direct the PMO-DTS to consider the viability of using commercial databases to identify unused airline tickets, for which reimbursement should be obtained and help improve the assurance that the actual travel taken was consistent with the information shown on the travel voucher.	The intent of this recommendation was to establish a process to identify and obtain reimbursement for unused airline tickets. Beginning in 2007, as CTO contracts came up for renewal, DTMO included a requirement in new CTO contracts that the CTO identify and cancel unused tickets 30 days after the planned trip date and initiate a refund request for the cancelled unused tickets. DTMO's effort to include this requirement in all CTO contracts is scheduled to be completed by June 2009.	Closed
8. Secretary of Defense should direct the PMO-DTS to consider simplifying the display of airfares in DTS.	The intent of this recommendation was to improve usability by reducing the amount of user effort required to identify flights that matched the traveler's schedule in order to meet mission needs. However, we found that a traveler must access at least four of the five flight display screens. DTS's flight displays could be simplified by grouping the flights into two categories—GSA and commercial. Displaying all of the GSA flights on one display screen would facilitate selection of the lowest fare. <sup>b</sup> If a GSA city-pair fare was not available, the traveler could view a single display screen of commercial flights to identify and select a commercial flight with the lowest available airfare that meets mission needs.	Open

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**Appendix III: Status of DOD's Actions on  
Previous GAO Recommendations on the  
Defense Travel System**

<b>GAO recommendation<sup>a</sup></b>	<b>DOD action taken to address the recommendation</b>	<b>Status of GAO recommendation</b>
9. Secretary of Defense should direct the PMO-DTS to determine the feasibility of utilizing restricted airfares, where cost effective.	In 2007, DTMO contracted with the Logistics Management Institute to conduct a study on the use of restricted airfares. The study, completed in September 2008, determined that the use of restricted airfares was feasible and presented DOD management with two options for implementing this functionality into DTS. The two options recommended by the study were to either add (1) a restricted airfare screen to DTS's flight display screen, which would include embedded controls requiring approval of restricted airfare flights prior to booking the reservation; or (2) a preapproval option for restricted airfares, and allow instant booking of restricted airfares in DTS. As of May 2009, DOD had not selected an option.	Closed
10. Secretary of Defense should direct the PMO-DTS to work with the Internal Revenue Service (IRS) to develop an approach that will permit the use of automated methods to reduce the need for hard copy receipts to satisfy requirements to substantiate travel expenses.	DOD has had one meeting with the IRS to obtain an understanding of IRS revenue rulings regarding travel receipts and to discuss the possible use of travel card statements in lieu of travel receipts. However, the department has not developed or presented to the IRS a conceptual approach for how travel card data and other information could be used to address IRS concerns regarding the use of electronic data to substantiate travel expenses. Since GSA is the lead agency for promulgating travel policy for the federal government DOD will need to work with both GSA and IRS to implement the needed changes.	Open

Source: GAO.

<sup>a</sup>DOD Business Transformation: Defense Travel System Continues to Face Implementation Challenges, [GAO-06-18](#) (Washington, D.C.: Jan. 18, 2006).

<sup>b</sup>DTS is required to display the lowest cost GSA airfare first. This requirement could be modified to include displaying the lowest cost commercial airfare, if available, that complies with DOD travel policy.

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**Appendix III: Status of DOD's Actions on  
Previous GAO Recommendations on the  
Defense Travel System**

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**Table 3: GAO's September 2006 Report Recommendations and Status of DOD Actions as of June 2009**

<b>GAO recommendation<sup>a</sup></b>	<b>DOD action taken to address the recommendation</b>	<b>Status of GAO recommendation</b>
1. The Secretary of Defense should direct the Under Secretary of Defense (Personnel and Readiness) (P&R) and the Director, Business Transformation Agency (BTA), to jointly evaluate the cost effectiveness of the Navy continuing with the CTO management fee structure versus adopting the revised CTO fee structure, once the new contracts have been awarded.	As DTMO renegotiates CTO contracts for Navy travel services, DTMO is requiring bid proposals to include (1) a management fee structure, which is a flat rate regardless of CTO involvement, and (2) a CTO fee structure, which is transaction based. According to DTMO officials, the bid proposals will be evaluated to identify the most cost-effective fee structure. This meets the intent of our recommendation.	Closed
2. The Secretary of Defense should direct the Under Secretary of Defense (P&R) and the Director, BTA, to jointly develop a process by which the military services develop and use quantitative data from DTS and their individual legacy systems to clearly identify the total universe of DTS-eligible transactions on a monthly basis. At a minimum, these data should be used to update the DTS Voucher Analysis Model to report DTS actual utilization rates.	DOD officials acknowledged that the department does not know the total number of manual travel vouchers that are processed by DFAS that should be processed through DTS. As a result, the department cannot ascertain the total universe of travel vouchers that are eligible for DTS processing or the savings that could be realized through electronic travel voucher processing.	Open
3. The Secretary of Defense should direct the Under Secretary of Defense (P&R) and the Director, BTA, to jointly require the PMO-DTS to provide a periodic report on the utilization of DTS to the Under Secretary of Defense (P&R) and the Director, BTA, once accurate data are available. The report should continue until the department has reasonable assurance that DTS is operating properly at all intended locations. The report should identify at a minimum (1) the number of defense locations at which DTS has been deployed, (2) the extent of DTS utilization at these sites, (3) steps taken or to be taken by the department to improve DTS utilization, and (4) any continuing problems in the implementation and utilization of DTS.	The fiscal year 2007 John Warner National Defense Authorization Act directed DOD to provide semiannual reports to the Congress for two years starting in 2007. The requirements of the act are consistent with our recommendations. The department submitted its first semiannual report to the Congress in September 2007 and its final semiannual report in December 2008. However, DOD continues to lack the data needed to ascertain the complete universe of travel vouchers that should be processed through DTS. This lack of data adversely affects the reliability of DTS utilization reports and the department's ability to identify locations where DTS is deployed but not fully utilized.	Open

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**Appendix III: Status of DOD's Actions on  
Previous GAO Recommendations on the  
Defense Travel System**

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<b>GAO recommendation<sup>a</sup></b>	<b>DOD action taken to address the recommendation</b>	<b>Status of GAO recommendation</b>
4. The Secretary of Defense should direct the Under Secretary of Defense (P&R) and the Director, BTA, to jointly resolve inconsistencies in DTS requirements, such as the 25 flight display, by properly defining the (1) functionality needed and (2) business rules necessary to properly implement the needed functionality. <sup>b</sup>	The intent of this recommendation was to ensure that the basis of a requirement was valid and the resulting functionality would be consistent with DOD travel regulations. DOD stated that it has established processes, consistent with best practices, to ensure that (1) DTS requirements are valid, clearly stated, and properly documented and tested; and (2) testing is properly documented; however, we found that those processes have not been effectively implemented. For example, we found that DOD did not implement the disciplined requirements management processes to achieve the intent of this recommendation. For example, we found that DOD travelers had to access at least four of the five flight display screens to identify the flight that best suited his or her needs. As a result, the traveler may not have selected the flight that was the most cost advantageous to the government.	Open

Source: GAO.

<sup>a</sup>Defense Travel System: Reported Savings Questionable and Implementation Challenges Remain, [GAO-06-980](#) (Washington, D.C.: Sept. 26, 2006).

<sup>b</sup>At the time of our review, one of the stated requirements was that 25 flights would be displayed to the travelers each time they made an inquiry.

# Appendix IV: Status of DOD's Actions to Address Recommendations of the January 1995 Travel Reengineering Report

<b>DOD report recommendation</b>	<b>DOD action taken to address the recommendation</b>	<b>Status of the recommendation</b>
1. The Task Force recommended creating three broad categories of mission travel: deployment, training, and "business."	The department has updated the Appendix O—Temporary Duty (TDY) Travel Allowances of the Joint Travel Regulation—to include these three broad categories of travel.	Closed
2. The Task Force recommended that entitlements for subsistence be structured on a lodging-plus per diem method.	The intent of this recommendation was to adopt a "Lodging-Plus" per diem method of reimbursing travelers for subsistence expenses incurred. Appendix O of the Joint Federal Travel Regulations and the Joint Travel Regulations requires that the "Lodging-Plus" computation method be used to reimburse TDY living expenses. A traveler is paid the actual lodging cost up to a limit, plus a set amount for meals and incidental expenses—commonly referred to as per diem.	Closed
3. The Task Force recommended eliminating the various types of TDY travel orders and order formats used for TDY travel, and using a modified version of the itinerary prepared by the commercial travel office in its place.	The intent of this recommendation was to permit single entry of data, so that information required for both the orders and voucher would not have to be entered repeatedly on different forms only to satisfy the internal operations of existing process owners. DTS has been designed to create a single electronic trip record for all official travel authorizations, modifications, and payment decisions. The trip record is the single document that includes the travel authorization and fund cite, cost estimate, itinerary, and updates to the itinerary made during the trip, and also serves as the expense report when the traveler returns.	Closed
4. The Task Force recommended that funds control responsibility must be delegated to the lowest practical level, with authority to obligate funds given to the commander or supervisor approving travel consistent with Operation and Maintenance (or other funding) controls.	The intent of this recommendation was to delegate the approval of travel vouchers to the lowest practical level, (i.e., the traveler's supervisor or authorizing officer) and reduce the number of approving officials. Appendix O of the Joint Federal Travel Regulations and the Financial Management Regulation delegates approval authority to the lowest practical level. The approval authority is implemented via DTS's "routing list" functionality. Through DTS, the military service or defense agency can centrally control the approval authority levels and minimize the number of approving officials involved.	Closed
5. The Task Force recommended that the accounting for travel be simplified and made more accurate by funding all or as much travel as possible at the organizational level and using one element of expense—TDY.	The intent of this recommendation was to reduce the accounting information needed—commonly referred to as the line of accounting. DOD has had a policy in place since 1997 requiring the use of a single line of accounting, but recognizes that in all cases this may not be practical, especially when travel crosses fiscal years.	Closed

**Appendix IV: Status of DOD's Actions to  
Address Recommendations of the January  
1995 Travel Reengineering Report**

<b>DOD report recommendation</b>	<b>DOD action taken to address the recommendation</b>	<b>Status of the recommendation</b>
6. The Task Force recommended that use of government quarters and dining facilities not be mandated.	The intent of this recommendation was to allow a DOD civilian the option of using quarters and dining facilities other than those of the military/government while on TDY. According to Appendix O of the Joint Federal Travel Regulations, military personnel are still required to check the availability of government quarters before using commercial quarters and dining facilities when assigned to a military installation. If government quarters and dining facilities are available, or if the military member chooses to use other lodgings or dining as a personal choice, reimbursement is limited to the cost of government quarters or dining on that installation.	Closed
7. The Task Force recommended three major changes in current arrangement practices: mandate the use of commercial travel offices, develop a DOD standardized full travel services contract, and establish a single entity within DOD to perform the commercial travel offices contracting function.	The department updated its travel regulations to mandate the use of CTOs for making DOD travel arrangements and identified DTMO as the department's single travel procurement and contract manager. In addition, DTMO is standardizing travel service requirements as individual CTO contracts become subject to renegotiation and renewal.	Closed
8. The Task Force recommended that DOD provide incentives for the use of the charge card by both organizations and individuals. Four aspects of the card program must be improved to create such incentives: management information, rapid reconciliation (claims settlement), partial payment, and flexible policies.	The intent of the recommendation was to realize substantial benefits through the use of the government charge card. Travel card usage has improved DOD's cash management by reducing the amount of advances. DOD receives electronic information from the credit card company that can be used to detect the use of the credit card for inappropriate purposes. It also reduces to less than five days the time it takes for a travel voucher to be reimbursed/reconciled after a voucher is electronically approved. The split disbursement process, which is mandatory for the military and civilian DOD employees, allows the traveler to have part or all of the travel reimbursement paid directly to the charge card account with the balance paid (through Electronic Funds Transfer) to the traveler's bank account. A "partial payment option" is available for travelers every 30 days if their TDY is over 45 days long.	Closed
9. The Task Force recommended that supervisors determine the appropriate status of the mission and direct the travel arrangements accordingly.	The intent of this recommendation was to have the traveler's supervisor ensure that travel arrangements were based on the needs/status of a mission rather than the individual traveler. DTS routes a traveler's authorization request to the appropriate official with the authority to approve, change, or deny the electronically submitted travel itinerary.	Closed

**Appendix IV: Status of DOD's Actions to  
Address Recommendations of the January  
1995 Travel Reengineering Report**

<b>DOD report recommendation</b>	<b>DOD action taken to address the recommendation</b>	<b>Status of the recommendation</b>
10. The Task Force recommended that the use of government facilities should be directed only if it supports the mission.	The intent of this recommendation was to allow a DOD civilian the option of using quarters and dining facilities other than those of the military/government while on TDY. According to Appendix O of the Joint Federal Travel Regulations, military personnel are still required to check the availability of government quarters before using commercial quarters and dining facilities when assigned to a military installation. If government quarters and dining facilities are available, or if the military member chooses to use other lodgings or dining as a personal choice, reimbursement is limited to the cost of government quarters or dining on that installation.	Closed
11. The Task Force recommended that all changes in accommodations be made through the commercial travel offices 24-hour 800 service.	To address this recommendation, the department requires all CTO contracts to provide support to DOD travelers via toll-free numbers and collect call.	Closed
12. The Task Force recommended that DOD take measures to reduce no-shows, perhaps through improvements in contractual arrangements to address options to guarantee reservations with a charge card with penalties for no-shows, and provide information to DOD travelers on no-shows.	The intent of this recommendation was to mandate that all reservations be made through the CTO. The department updated its travel regulations to mandate the use of CTOs for making DOD travel arrangements. Furthermore, DTS notifies the traveler if an authorization is not approved by the authorizing officer. After a specified period of time, all reservations and associated travel reservations are automatically canceled within DTS, if approval has not been recorded in DTS.	Closed
13. The Task Force recommended that rental car authorization should remain the decision of travel authorizing or approving officials.	The intent of this recommendation was to ensure that the authorizing official had the authority to decide on whether or not a traveler should be approved to use a rental car on a travel mission. Appendix O clearly specifies that the authorizing official decides whether or not a rental car is necessary to complete the mission.	Closed
14. The Task Force recommended that the reimbursement for phone calls to the traveler's family/home should remain the decision of the travel authorizing or approving official.	The authorizing officer may determine whether communications to a traveler's family/home are official. These communications must be only to advise a family of a traveler's safe arrival, to inquire/inform about a medical condition, and/or to inform of a trip itinerary change. The authorizing officer may approve the charges after the TDY when appropriate.	Closed
15. The Task Force recommended that travelers should be able to receive telephone approval from their supervisor for changes or, in the absence of a supervisor, to make common-sense decisions about changes to a traveler's trip itinerary.	The intent of this recommendation was to provide the traveler with greater flexibility and authority to change his or her itinerary to accommodate mission needs. If a traveler's plans change from the original approved itinerary, the traveler should call the CTO and the authorizing officer may approve the changes after the trip is complete.	Closed

**Appendix IV: Status of DOD's Actions to  
Address Recommendations of the January  
1995 Travel Reengineering Report**

<b>DOD report recommendation</b>	<b>DOD action taken to address the recommendation</b>	<b>Status of the recommendation</b>
16. The Task Force recommended that arrangements/itinerary should be established upfront for the obligation of funds the supervisor approves.	DTS obligates the funds once the travel authorization has been approved by the authorizing officer.	Closed
17. The Task Force recommended the use of single-source data entry starting with the authority to travel as the basis for reimbursement and automate the process.	The intent of this recommendation was to automate the travel authorization and reimbursement process from the beginning to the end. DTS has been designed to create a single electronic trip record for all official travel authorizations, modifications, and payment decisions. The trip record is the single document that includes the travel authorization and fund cite, cost estimate, itinerary and updates to the itinerary made during the trip, and also serves as the expense report when the traveler returns.	Closed
18. The Task Force recommended that to achieve a paperless system, the receipt review and retention process should stop with the supervisor's approval of the voucher.	The intent of this recommendation was to minimize and simplify the receipt requirements. As allowed by IRS, DOD has adopted the recommended receipt threshold of \$75 and provides the ability for the traveler to store required receipts electronically.	Closed
19. The Task Force recommended that travel accounting must be simplified and made more accurate by funding all or as much travel as possible at the organization level and using one element of expense—TDY.	The intent of this recommendation was to reduce the accounting information needed—commonly referred to as the line of accounting. DOD has had a policy in place since 1997 requiring the use of a single line of accounting, but recognizes that in all cases this may not be practical, especially when travel crosses fiscal years.	Closed
20. The Task Force recommended that the approved voucher should be transmitted via electronic information to disbursing offices, as that capability becomes available, and that audit and review be based on random samples selected by disbursing office.	The intent of this recommendation was for the approved travel voucher to be electronically transmitted to DFAS. DTS electronically transmits all approved travel vouchers to DFAS. Subsequently, DFAS uses DTS information to select travel vouchers for postaudit reviews.	Closed
21. The Task Force recommended that the traveler should have the option to elect on the voucher to have the government pay the card company directly for authorized charges with residual expenses remitted to the individual.	The split disbursement process, which is mandatory for military and civilian DOD employees, directs the traveler to have part or all of their travel reimbursement paid directly to the charge card account with the balance paid (through Electronic Funds Transfer) to their personal bank account. A "partial payment option" is available for travelers every 30 days if their TDY is over 45 days long.	Closed
22. The Task Force recommended that an alternative approach for ensuring appropriate controls is to build as many considerations into the authorizing and approval processes as possible and have it done once with the same data flowing through the steps in the process.	The intent of this recommendation was to implement a system that would automate the authorization and approval processes to the extent possible. DTS functionality enables authorization and approval consistent with DOD travel policy. For example, DOD policy requires the use of GSA city-pair flights, unless the traveler provides justification for another type of flight. This justification must be approved by the authorizing official.	Closed

Source: GAO.

# Appendix V: List of Defense Agencies and Joint Commands

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<b>Number</b>	<b>Defense agency or joint command</b>
1	Business Transformation Agency
2	Civilian Personnel Management Service
3	Defense Advanced Research Projects Agency
4	Defense Acquisition University
5	Defense Contract Audit Agency
6	Defense Contract Management Agency
7	Defense Commissary Agency
8	Defense Finance and Accounting Service
9	Defense Human Resources Agency
10	Defense Information Systems Agency
11	Defense Logistics Agency
12	Defense Media Activity
13	Defense Manpower Data Center East
14	Department of Defense Education Agency
15	Office of the Inspector General
16	Defense Prisoners of War Missing Persons Office-Office of the Secretary of Defense
17	Defense Security Cooperation Agency
18	Defense Security Service
19	Defense Technical Information Center
20	Defense Threat Reduction Agency
21	Defense Technology Security Administration
22	Inter American Defense Board
23	Joint Chiefs of Staff
24	Joint Forces Command
25	Joint Improvised Explosive Device Defeat Organization
26	Joint Program Executive Office
27	Missile Defense Agency
28	North American Treaty Organization
29	National Defense University
30	National Geospatial-Intelligence Agency
31	Pentagon Forces Protection Agency
32	TRICARE Management Activity
33	United States African Command
34	United States Central Command

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**Appendix V: List of Defense Agencies and  
Joint Commands**

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<b>Number</b>	<b>Defense agency or joint command</b>
35	United States European Command
36	UN Command/U.S. Forces Korea
37	U.S. Military Entrance Processing Command
38	United States Northern Command
39	United States Pacific Command
40	United States Special Operations Command
41	United States Southern Command
42	United States Transportation Command
43	Uniformed Services University of Health Sciences
44	Washington Headquarters Services

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Source: DOD.

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# Appendix VI: GAO Contacts and Staff Acknowledgments

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## GAO Contacts

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## Staff Acknowledgments

In addition to the above contacts, the following individuals made key contributions to this report: Darby Smith, Assistant Director; Evelyn Logue, Assistant Director; J. Christopher Martin, Senior-Level Technologist; F. Abe Dymond, Assistant General Counsel; Jehan Abdel-Gawad, Senior Attorney; Beatrice Alff; Maxine Hattery; Jason Kelly; and John Vicari.

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